

DEPARTMENT OF HEALTH SERVICES

4744 P STREET

O. BOX 942732

SACRAMENTO, CA 94234-7320



(916) 657-1460

May 3, 1996

PPL No. 96-005

All County Medi-Cal Administrative Activities
Targeted Case Management Coordinators
Advisory Committee Members

TREATMENT OF CATEGORICAL REVENUES AND ENCOUNTERS

This transmittal is to notify all local governmental agencies (LGA) participating in Targeted Case Management (TCM) of the Department of Health Services' policy regarding the treatment of categorical program revenues and encounters for the annual cost report.

LGAs that have categorical programs, such as Comprehensive Perinatal Services, Child Health and Disability Prevention, and Maternal and Child Health programs, in a totally segregated budget unit, and can demonstrate this through an organizational chart, will not include the cost of those categorical programs in their annual cost report. LGAs that do not have segregated budget units for categorical programs, and coded time spent on clients enrolled in categorical programs to TCM on their time surveys, shall use the formula below to calculate the per encounter rate in the annual cost report:

$$\frac{(\text{Total TCM Expenses}) + (\text{Known Cost Increases}) - (\text{Categorical Program Revenue Assigned to TCM Services})}{(\text{Total Encounters}) - (\text{Categorical Encounters})}$$

- Total TCM Expenses: (From Worksheet A) Entered on Lines 13 and 16.
- Known Cost Increases: (From Worksheet C) Entered on Line 17.
- Categorical Program Revenue and other revenue assigned to TCM Services: (From Worksheet A) Entered on Line 18.
- Total Encounters - Categorical Encounters: (From encounter logs) Entered on Line 14.

The county must also ensure that categorical program costs, revenues, and encounter data are supported by appropriate documentation and that TCM services provided to clients enrolled in categorical programs are not claimed through the TCM program.

Should you have any questions regarding this policy, please contact the Patient Access Unit program analyst assigned to your county.

Sincerely,

Darryl Nixon, Chief
Medi-Cal Benefits Branch

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cc: Cathleen Gentry
Host County Liaison
455 Pine Avenue
Half Moon Bay, CA 94019

Targeted Case Management:	X
Medi-Cal Administrative Activities:	
Policy Effective Date: July 1, 1995	
Policy Reference: State Medicaid Manual Part 4, Section 4302.2	